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The Creative Entrepreneur: a Framework of Analysis

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Abstract

The term “creativity” is quite often used around us, especially lately, as today most people strive to be creative. The main reason for this is that creativity seems to represent an advantage in front of others. Entrepreneurs are extremely proactive and it is this orientation towards action which leads to their success in business, but also in their personal lives. The “creative entrepreneurship” has become a term which refers to the business activity of entrepreneurs belonging to the creative industries. The creative entrepreneur is the type of entrepreneur concerned with the creation and exploitation of creative or intellectual capital. He or she is an investor in his or her talent, but also in that of others. The aim of this paper is twofold: to offer an overview on creativity and creative entrepreneurship, and to make a comparative literature review of the creative entrepreneurs’ characteristics.

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1. Introduction

Today, almost everyone aspires to be creative, from politicians and businessmen to football players and students; in business, it can be said that being creative, or having a high level of creativity has become the ace in the hole for

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competitive advantage on crowded markets.

Defining creativity is as frustrating as a search for the needle in a haystack or how Leslie Owen Wilson well said: it is as frustrating as trying to collect liquid mercury once used to make thermometers (Wilson, 2015). When the thermometer is dropped and its housing breaks, the mercury that is encapsulated will separate into small balls. It is almost impossible to collate all these balls without considerable effort, given that every attempt to capture them, mercury causes continued division.

“Creator”, “creation”, “creativity” are some of the most overused words and ultimately the most misleading ones. Stripped of any particular significance by a generation of bureaucrats, public servants, managers and politicians, the word “creator” became almost unusable (Tusa, 2003).

Beautiful and successful businesses can be set up in any sector of these industries: advertising, architecture, arts and antique markets, crafts, design, designer fashion, interactive leisure software (electronic games), music, performing arts, publishing, software and computer services, television and radio, film and video, with the condition to respect the rules of entrepreneurial initiatives.

2. Creativity

2.1. Definitions of Creativity

The brief definitions of creativity are subjectively interpreted, both by those who conceive them and by those who read them. Most of us know that something is created when we see it, hear it or experience that something, even if we cannot say to those around us why. It simply is creative for us, it reaches us in a certain chord, in a certain way, is something totally different and unique, offering a new understanding or a whole new perspective to each one of us! Creativity can evoke a strong emotional or physical response, which will take our breath away, or anything that may cause either joy or surprise.

According to Webster online dictionary, creativity is the ability or the power to create, to bring into existence / life, to invest with a new form, to produce through an imaginative feature, to make or to give life to something new (Merriam Webster, 2015).

Wikipedia defines creativity as a mental characteristic, even an intellectual one, that allows a person to think outside the box, which leads to innovative or different approaches for a given task (Wikipedia, 2015). In fact, nowadays, for a better understanding of things surrounding us, we are all advised to think outside the box.

In *Management and Creativity* the author, Chris Bilton (lecturer at the Center for Cultural Policy Studies and Director of the MA in Creative and Media Businesses, University of Warwick) talks about the so called real creativity, asserting that this cannot be found in the independent and self-sufficient creative teams, but in the ability to make connections between different ways of thinking and different types of people (Bilton, 2007). For Bilton, creativity should not be assigned to a specific mood, in a room, a certain type of man, an individual, but it is found in the transition points between different ways of thinking. What happens if we close the door? We will never be able to hear the whole story.

If the American writer Henry Miller defines creativity as the emergence of a composition which is new and valuable, the entrepreneur John Haefele considers creativity as the capacity to make new combinations of social value.

In *Creativity – Flow and the Psychology of Discovery and Invention*, the author and psychologist Mihaly Csikszentmihalyi defines creativity as being any act, idea or product that modifies an existing domain or that converts an existing domain into a new one ... What matters is whether the novelty that he or she produces is accepted for inclusion in the field (Csikszentmihalyi, 2013).

According to the studies conducted by Sternberg, creativity is a very complex human performance and event, one of the highest levels of performance and achievement to which humanity can aspire. For many in arts, including creative writers and poets, the highest degree of the creative process is almost a combined response of the whole being, involving all aspects of such a person's response repertoires (Sternberg, 1988). Many of creativity's sub-components are simultaneously and / or sequentially combined in order to approach to this almost total response of the human being.

Rollo May, known author, existential psychologist and philosopher, in *The Courage to Create*, defines creativity

to be the process of bringing something new to life. Creativity requires passion and commitment, it informs what was previously hidden and now moving towards a new life, and the experience is one of ecstasy (May, 1994).

In turn, the scientist H.H. Fox considers creativity to be any thought process in which original models form, and express, while E. Paul Torrance, a creativity investigator, educator and academic, sees creativity as fluency, flexibility, originality and sometimes development.

As for creative thinking, the author Roger von Oech believes that this involves imagining the familiar things in a new light, digging deep in order to find both previously undetected patterns, and connections between unrelated phenomena. From all these definitions, it is clear that they share the view that creativity is something: new, innovative, original, and unique.

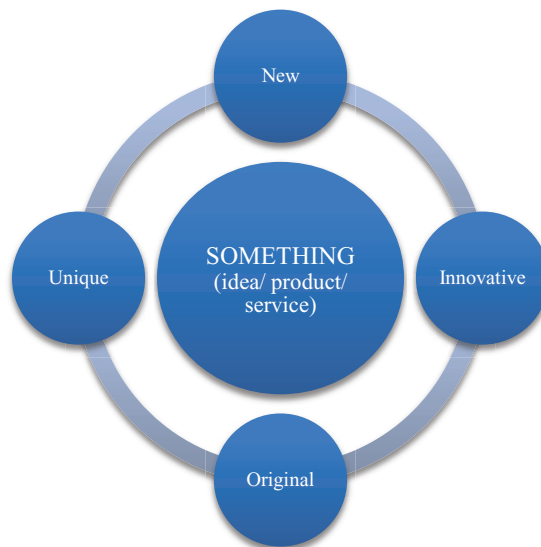


Fig. 1. Creativity's characteristics

Most of the time it is something new, but there are few occasions when it is not. Consequently, whether this is new or not, it definitely has to be innovative, which gives the original touch, and, in the end, the unique character.

2.2. Types of Creativity

The term creativity is quite often used around us, especially lately. This is due to the fact that the need for creativity has become increasingly significant at regional, national and international levels. Basically creativity is everywhere and nowhere, and one often hears and talks about: individual creativity, organizational creativity, and municipal / local creativity.

Individual Creativity comes from a deliberate, self-aware process, observing and responding to more “subelves” (semi-independent components of personality that can operate cohesive or conflictual (Gerlach, 2015)) that are internalized, and are linking together different thinking styles.

Organizational Creativity refers to making links between individuals and organizations in a network or system of creation (Bilton, 2007). In both cases, the key to creativity is the ability to manage complexity and contradiction.

When we talk about creativity at the municipal level, basically we are talking about *urban creativity*, as many experts in the field call it. The urban creativity derives from the problems and urban cities’ potential, as well from the unique answer that they need. Urbanity itself (critical mass, diversity and interaction) strives towards a certain kind of creativity, characterized by specializations, niches and hybrid ideas (Landry, 2008).

For a better illustration of what urban creativity is about, the examples offered by Charles Laundry such as Glasgow's case in Scotland, the city of Mantua in Italy, city of Huddersfield in England, Helsinki in Sweden, are quite popular and eloquent.

In 2007, the *The National Curriculum in Action*, that represents the National Education Curricula in England, defined creativity as a set of four “characteristics of creativity”:

- Imagination: defines what the process of creation always implies: imaginative thinking or behavior;
- The imaginative activity / thinking / behavior must be applied to a particular purpose or to achieve an objective;
- The imaginative and creative processes must generate something original;
- The creative result must be of value to the objective or purpose.

As it was earlier mentioned, creativity means different things to different people, and can be defined in numerous ways, also on distinct levels and different disciplines, from a finite perspective, as it follows:

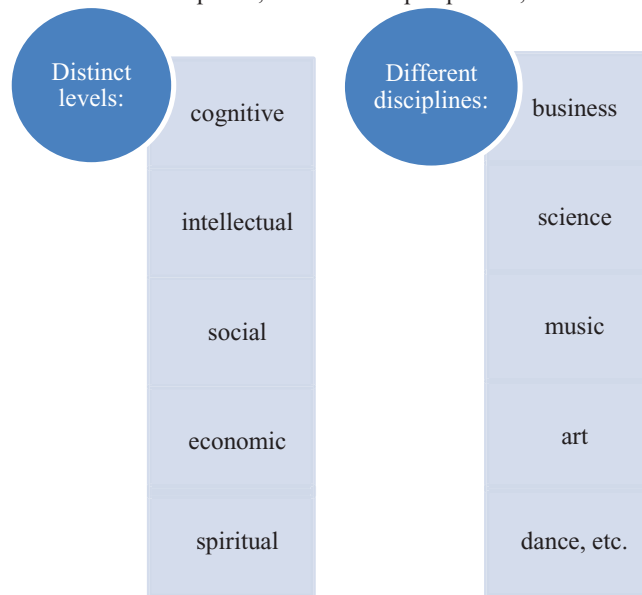


Fig. 2. Types of creativity on distinct levels and different disciplines

Ross Mooney proposes four major approaches to defining / ascertaining creativity depending on the four aspects of the problem that a person uses in order to meet his / her initial expectations. (Mooney, 1963):

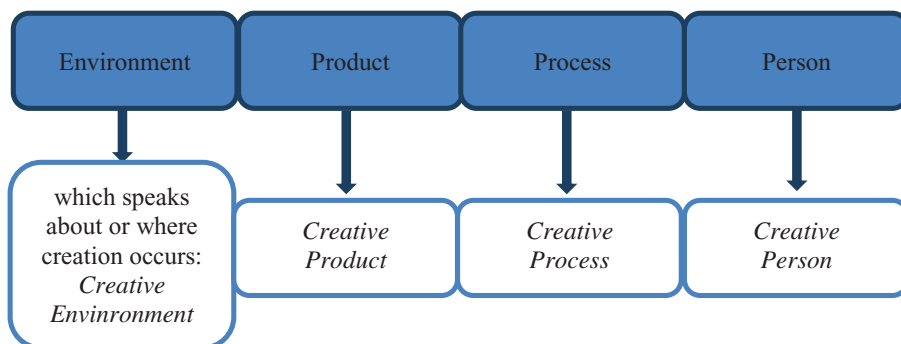


Fig. 3. Mooney's approaches on creativity

3. Entrepreneurship in Creative Industries

3.1. Entrepreneurship and Entrepreneurs

It is said that we all have the entrepreneurial spirit inside of us, a spirit that just waits to come out! Entrepreneurship starts with a vision, and most importantly for an entrepreneur is to be unstoppable! One thing that many do not know is that entrepreneurship is not genetic, but can be taught. The will, skills, knowledge are some of the features that we can learn and improve through practice. Although entrepreneurship exists in each of us, without hard work only few entrepreneurial qualities obtained at birth can help us in the long term. Entrepreneurs make things to become reality using their own will, their own qualities and knowledge, traits that can be learned and developed.

Entrepreneurs go through life looking for opportunities to sell, innovate to bring value to customers and all their shareholders. The highest and hardest is to reproduce this value, the greater are their profits, and benefits.

Over time several definitions for the term of entrepreneurship were given by the literature describing it as a business process. The oldest definition dates from the eighteenth century, and describes entrepreneurship in economic terms, as a risk taker process to buy at certain known prices and to sell at uncertain prices.

In turn, the entrepreneurship definition was later extended by economists, that included the concept of bringing together the factors of production. Afterwards, the concept of innovation was added. The same concept can describe a process, a market, a product or a factor, or even an organization. The following definitions describe entrepreneurship as involving the creation of new businesses that have the entrepreneur as the founder (Di-Masi).

In *Essay sur la nature du commerce en General*, Richard Cantillon sees an entrepreneur as being an intermediary between capital and labor (Cantillon, 1959), and together with Adam Smith, started to study the entrepreneurship.

In turn, the Austrian economist Joseph Schumpeter considers an entrepreneur as the person who is able and wants “to convert a new idea or invention into a successful business” (Schumpeter, 2012), and the understanding process of entrepreneurship is due to him.

In Romania, an ample definition can be found in the law for encouragement of private entrepreneurship (Law 133/1999), according to which an entrepreneur is a self-employed or legal person(s), that, individually or in association with other self-employed or legal person(s), organizes a trading company, called enterprise in order to develop trade actions and transactions, with the purpose to obtain profit through the production of material goods or services and by selling them on a free market (Avasilcăi & Huțu, 2012).

3.2. Creative Entrepreneurship

Entrepreneurship in creative industries, and information related to the development of entrepreneurial skills in these industries are not well known, or rather fully known. The term of creative entrepreneurship has become a term that refers to the business activity of entrepreneurs belonging to the creative industries.

According to Wikipedia, creative entrepreneurship is the practice of setting up a business or self-employment in one of the creative industries (Wikipedia, 2013). Creative industries entrepreneurship represents a new way of thinking, a new attitude, which is to seek opportunities in cultural organizations, in terms of their cultural mission as a starting point (UNCTAD; UNDP, 2010).

Creative businesses are more active than other types of businesses in promoting innovation. The real challenge that those who dare to engage in a creative entrepreneurship must face, is the need to find a balance between the artistic side, and the financing and the business development side.

From the term of entrepreneurship in the creative industries (creative / cultural entrepreneurship) derives the term of entrepreneur in the creative industries (creative entrepreneur), which deals with the realization of a strategy, organizational design and leadership in a cultural context. This notion characterizes those talented and successful entrepreneurs, able to turn their ideas into products or services to society (UNCTAD; UNDP, 2010).

An important issue, that a creative entrepreneur must cope with is the distinct challenge to build and support a business only from creative activities, as well as facing challenges that normally only small businesses usually face, such as: to find an adequate market for their type of creative business; to determine this market to ask more and

more for their business object; to attract capable people; to identify financial and technical resources; to think and develop strategies on how to compete, collaborate, and specialize in order to adjust to market changes.

The last challenge is particularly important, and a creative entrepreneur must always have it in mind, especially on his / her personal level. As Henry notes in his book, a creative entrepreneur, if he /she wants a long-term career in the creative industries must ensure that it is sustainable, given the fact that these industries are ruled by fashion, tastes and young people (Henry, 2007).

The fact that creative businesses are often developed in special environments characterized by rapid social and technological changes, tough competitions and ephemeral relationships with customers, has already been demonstrated. For this reason, we believe that creative entrepreneurs from some sectors of the creative industries need a business manager or a stakeholder, in order to learn the skills required to lead to the business development, especially in such an unstable economic environment. In this context, it is very important that they make a strong team, completing each other, respecting both sides' values, and are able to avoid different conflicts that may occur between them, as the creative entrepreneur tends to forget about the object of the business. The creator always wants and tries to create original and unique things, to be able to face the competition, while the business manager desires to be more efficient (Bujor & Avasilcai, 2015).

4. Creative Entrepreneurs' characteristics: a comparative literature review

To achieve and complete a list of information about the activities and qualities that drives entrepreneurs' results, over time numerous studies have been undertaken. Their common conclusion was that all successful entrepreneurs present the following qualities: interior control, planning capacity, risk takers, innovation, feedback users, decision-makers, and independence. Undeniably, this list finds itself in a continuous process of improvement, by adding new characteristics. The question is whether these qualities are found in creative entrepreneurs as well.

Following discussions with various contractors working in the creative industries it can be said that the vast majority of these qualities are found in creative entrepreneurs, as well. Certainly, for those that have their business in IT, publishing, advertising, all characteristics are valid. But we cannot say this for sure in case of a painter, a sculptor, an actor, generally in the case of an artist. We all know that most artists have volcanic tempers with various inner experiences, therefore interior control is a questionable quality of these creative entrepreneurs. The same can be said about capacity planning. It is difficult for those creative entrepreneurs, whose main activity is based on creation, such as a designer, a craftsman, a composer. For them the creative process requires an idea (and an innovative one), therefore it cannot be planned or orchestrated to occur. This can take months, weeks, or maybe a day or two.

According to Wikipedia, creative entrepreneurs differ from other entrepreneurs, including the social entrepreneurs, in that the first ones are most concerned with creating and exploiting intellectual or creative capital. Essentially, creative entrepreneurs are considered investors in talent: their own or others. The most famous entrepreneurs have combined creative flair with entrepreneurial talent to build business empires of billion dollars. Among them Murdoch, Madonna and Branson are famous (Wikipedia, 2013).

Of all definitions, and characteristics found so far in the literature, aiming at describing an entrepreneur in the creative industries, two specific prerequisite skills emerge: they should understand very well the concept of intellectual property, and this must be combined with their ability to achieve and manage a cash flow, key talents and the creative process itself. Michael Gordon argues that entrepreneurship encompasses the following three factors:



Fig. 4. Entrepreneurship's factors, according to Michael Gordon

Starting from the 11 essential entrepreneurial skills needed to increase the chances of success in any undertaken endeavor, not only in entrepreneurship, that were proposed by Gordon (Gordon, 2012), and the list of the 11 rules for successful creative entrepreneurs proposed by John Howkins (Howkins, 2001), a comparative analysis between the two lists was done, in order to seek associations /similarities and differences between entrepreneurs in general (first column) and creative entrepreneurs (second column).

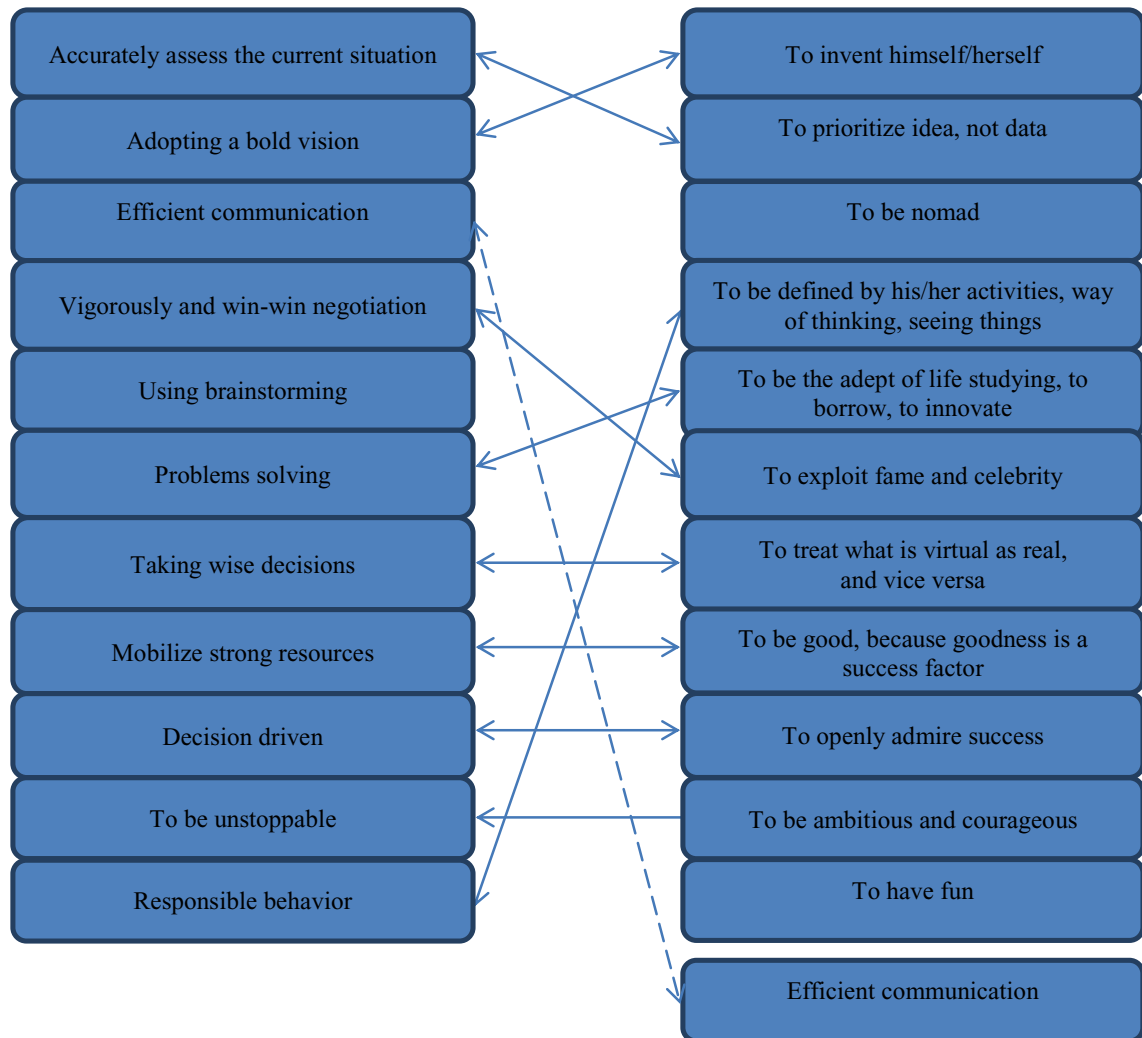


Fig. 5. Creative Entrepreneurs' characteristics: a comparative literature review

First, we started by finding associations between the two lists, using full lines, as shown in the figure above. There were two remaining skills belonging to Gordon's list for which we could not find a proper match in Howkins' list of skills: using brainstorming and efficient communication. What we can say is that the use of brainstorming can be a little bit strange for creative entrepreneurs, as their businesses are mainly based on their ideas, creations, and innovations, that most of the time are patented / protected by intellectual property. As for the lack of efficient communication from the list, the only reasonable explanation that we can think about is the fact that creative entrepreneurs best communicate through their creations, their art, and their performances. Nevertheless, we can also

observe that all these form a way of communication which definitely must be efficient in order to be understood. Thus, it can be added to Howkins' list as one of the creative entrepreneurs' rules for success as well. To highlight this aspect, in the figure above a new cell was added at the end of Howkins's list, separated from the others, and directed with a dotted line from Gordon's list.

On the other hand, two rules / skills that define an entrepreneur in creative industries were not in Gordon's list: to be nomad and to have fun. Somehow we can agree with that as these two skills are more appropriate to free spirits, a quality that creative entrepreneurs definitely have. They usually love their freedom to do whatever, whenever and however they want. Only, they express this freedom in their own ways. They need to explore the world, to allow their minds to wander and search new ideas, having fun at the same time. As for this last rule from Howkins's list, to have fun, the author wants to draw our attention to the first rule, namely that a creative entrepreneur must always invent himself / herself.

Conclusions

The term "creativity" is quite often used around us, due to the fact that the need for creativity has become increasingly significant at all levels. Creative businesses are more active than other types of businesses in promoting innovation. The real challenge that those who dare to engage in a creative entrepreneurship must face is the need to find a balance between the artistic side, and the financing and the development side of the business.

The comparison undertaken in this paper, based on literature review and discussions with different creative entrepreneurs, shows that between their characteristics and those of other entrepreneurs some differences have appeared. The differences mainly occur because creative entrepreneurs are most concerned with creating and exploiting intellectual or creative capital, being investors in talent: their own or others.

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